



**DEFENSE CONTRACT AUDIT AGENCY**  
**DEPARTMENT OF DEFENSE**  
8725 JOHN J. KINGMAN ROAD, SUITE 2135  
FORT BELVOIR, VA 22060-6219

IN REPLY REFER TO

PPD 730.5.50.1

25 April 2000  
00-PPD-036(R)

**MEMORANDUM FOR REGIONAL DIRECTORS, DCAA**  
**DIRECTOR, FIELD DETACHMENT, DCAA**

**SUBJECT: Mechanization of Contract Administration Services (MOCAS) System Contract Closeout Initiative**

**SUMMARY**

On 7 December 1999, we issued MRD 99-PIC-130 (NR) which alerted you to the DoD reform initiative to accelerate contract closeout and transition open contracts in the MOCAS System. The purpose of this memorandum is to provide information and planning guidance related to the subject reform initiative. DCAA is part of a combined effort, which includes the Military Departments, Defense Finance and Accounting Service (DFAS), Defense Contract Management Agency (DCMA) (formally Defense Contract Management Command (DCMC)) and contractors. DCMA Headquarters has tasked its Contract Administration Offices (CAOs) with the development of a closeout plan by 1 May 2000. This plan will reflect the effort needed to ensure the closure of all physically complete contracts by 30 September 2002. FAOs should review and discuss their CAO's closeout plans and identify the resource requirements to enable the successful accomplishment of the closeout goal. Headquarters briefed the Executive Steering Committee (ESC) about this initiative at the March 2000 meeting. This memorandum has been coordinated with DCMA Headquarters.

**BACKGROUND**

On 23 March 2000, the Deputy Secretary of Defense issued Defense Reform Initiative (DRID) #53 – Reconciliation of Contracts in the MOCAS System (enclosure 1). The replacement of MOCAS is part of the overall plan to modernize and standardize contract and vendor pay and achieve the goal of eliminating unmatched disbursements and negative unliquidated obligations. The MOCAS System will be retired on 1 October 2002. All contracts in the MOCAS System must be closed out or converted by 30 September 2002. MOCAS is being replaced with an integrated electronic procurement process utilizing common data consisting of various functional systems. DFAS will begin the replacement of MOCAS with the Defense Procurement Payment System (DPPS). DPPS is an electronic system for performing entitlement and authorizing payment. DCMA will replace MOCAS with the Standard Procurement System (SPS). SPS is an electronic contract generation, management and administration system that will be used by the entire DoD contracting community.

DRID #53 directs the military departments and DCMA to develop comprehensive plans to close out all completed contracts and for the orderly transition from MOCAS to DPPS/SPS for contracts with continuing requirements. It also establishes a DoD-wide Integrated Process

SUBJECT: Mechanization of Contract Administration Services (MOCAS) System Contract  
Closeout Initiative

Team to integrate and coordinate the reconciliation, closeout and conversion of the MOCAS contracts. The DRID calls for the Integrated Process Team to provide the Deputy Secretary of Defense with in-progress reviews every 12 weeks beginning with a review no later than 4 June 2000 of the initial plans to achieve both the closeout and transition goals.

The transition from MOCAS to DPPS/SPS will involve a “brown out” period throughout fiscal year 2001 where new contracts will be paid out of DPPS and existing contracts will be paid out of MOCAS. At the conclusion of this “brown out” period, all remaining MOCAS contracts will be converted from MOCAS into the new system. This allows three years to reconcile, close or convert an estimated 350,000 existing MOCAS contracts. Some of these contracts are as much as 30 years old with extensive deliverables and/or line items of accounting or a history of payment-related issues that will require substantial time and effort to reconcile. Performance under other contracts has been completed. Transferring completed contracts to DPPS/SPS is an unnecessary cost to the taxpayer. DCMA’s intent is to minimize the number of MOCAS contracts converted to the new system.

DCMA’s mission is to facilitate contract administration actions necessary to promote the effective transition to DPPS/SPS and to achieve the goal of closing all contracts that will become physically complete by 30 September 2002. To this end DCMA Headquarters has issued Tasking Memorandum No. 00-95 (enclosure 2), dated 21 January 2000, to all CAOs. This memorandum tasks the CAOs with a number of actions. One of these requirements is the development of a plan that reflects the effort needed to ensure the closure of all physically complete contracts by 30 September 2002. The Tasking Memorandum identifies some of the information that should be included in the CAO’s closure plan as shown below:

- Quantity of existing contracts to be closed by fiscal year quarter.
- Remarks as to the exceptions, extraordinary actions, or relief the CAO would need in order to accomplish contract closure by September 30, 2002 where it is evident there will not be sufficient time based on the CAO’s current process requirements.
- Assess the impact on the current CAO Performance Contracts to redirect necessary resources in FY 2000 to ensure all DCMA-administered contracts will be closed according to the above plan, identified for closure by September 30, 2002, or identified for migration to SPS.

DCMA Tasking Memorandum 00-172 (enclosure 3) extended the suspense date for the completion of these actions to 1 May 2000. These tasking memorandums and other information related to contract closeouts can be accessed from the DCMA website at <http://www.dcma.hq.dla.mil>.

DCMA estimates that of the 350,000 total contracts, 282,000 will be physically complete by 31 March 2000, and an estimated 1,300 contracts (plus an unknown number of new contracts entered in MOCAS) will be completed between January and September 2002. DCMA refers to the latter period as the “red zone”. Closing the contracts in this period will require additional planning considerations since many contractor fiscal years will not have ended and final rates will not be available for audit. The current regulatory closeout time frames will not accommodate the timely closeout of these contracts. This issue and other policy concerns are being addressed by members of the Integrated Process Team.

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DRID #53 calls for the initial focus to be directed at the contracts that will be the most difficult to reconcile and close. Contracts over \$100 million will be given the earliest attention with expedient efforts to move forward and close all other contracts. DCMA has identified several critical areas where they need help to successfully accomplish their goal. Two of these areas require our direct involvement and immediate attention. These areas are the audit of final rates and contract closing audits. Another area where DCMA needs help is the timely submission of final vouchers or final invoices by the contractors. To emphasize the urgency of this need, the Commander of DCMA has written to the top 10 contractors that are late in submitting their final vouchers or final invoices requesting that they expedite the submission of these documents (enclosures 4 and 5).

**GUIDANCE**

FAOs should contact their respective DCMA CAO(s) and discuss the CAO's contract closure plan as discussed above. The FAO planning process should include an assessment of the FAO's resource requirements to support the CAO's contract closure plan and the identification of potential resource shortfalls.

To facilitate the Agency's contract closeout effort, a PLA position will be established to coordinate with the DCMA MOCAS Transition Assistance Center. The PLA will work with the DCMA Transition Team members to identify critical contracts for closure. The PLA will also coordinate the effort between FAOs, ACOs and the Transition Team to obtain delinquent indirect cost submissions, final rate audits and contract closeout reviews. Additional information regarding the Transition Assistance Center PLA will be issued once the PLA is in place.

Headquarters Policy is assessing the impact of DRID #53 on current contract audit closeout policy. Revisions to current audit guidance will be issued if necessary. Regions/FAOs should rely on existing guidance in their planning and implementation of the contract closeout initiative. FAOs should consider the following actions in their implementation plans:

- FAOs should redouble their efforts to assist ACOs in their responsibility to obtain late incurred cost submissions (reference CAM 6-707.1(d)). Delinquent submission of a final cost proposal may be an indication of weaknesses in the contractor's accounting system and controls. FAOs should refer to CAM 6-707.1(c) in pursuing corrective action. A listing of overdue incurred submissions as of 16 February 2000 is enclosed for your use (enclosure 6). Note, this list includes late submissions for contractors holding non-DCMA administered contracts.
- FAOs need to be alert to potential overbilling conditions in cases where the contractor's certified final indirect rate submissions have not been received. FAOs should not wait until the receipt of the final indirect cost submission to compare the interim billing rates to year-end recorded allowable rates to determine if the billing rates need to be adjusted (reference CAM 6-705.1(d)).

SUBJECT: Mechanization of Contract Administration Services (MOCAS) System Contract  
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- FAOs should pursue opportunities for converting the rate settlement process from contracting officer determined to audit determined. Recent guidance on special procedures for changing the rate settlement process from contracting officer determined to audit determined are described in CAM 6-703(d).
- FAOs should identify contracts which meet the criteria for applying quick-closeout procedures, and recommend such procedures to the ACO,. Guidance on quick-closeout procedures is in CAM 6-1010.
- FAOs should maximize the use of concurrent auditing tests and procedures to expedite the process of establishing final indirect rates (reference CAM 6-107). In light of DRID #53, DCMA Headquarters has requested that FAOs work with ACOs to renew efforts to expand the real time rate/concurrent auditing process. The accelerated closeout timeframe imposed by DRID #53 underscores the valuable role that concurrent auditing will play in the realization of the closeout goal.
- FAOs should ensure that Cumulative Allowable Cost Worksheets (CACWS) are being prepared and used in accordance with CAM 6-711.3. Where rates are contracting officer determined, the CACWS should be transmitted to the ACO (reference CAM 6-708.2(d)). Completed contracts should be closed using the methods described in CAM 10-902.

**CONCLUDING REMARKS**

FAOs with questions regarding this memorandum should contact their regional offices. Regions with questions should contact Mr. David G. Fleming, Program Manager, Policy Programs Division at 703/767-2270, by fax 703/767-3283, or e-mail dcaa-ppd@dcaa.mil.

/signed/ Robert DiMucci

(for)

Lawrence P. Uhlfelder  
Assistant Director  
Policy and Plans

Enclosures - 6

1. DRID #53
2. DCMA Tasking Memorandum 00-95
3. DCMA Tasking Memorandum 00-172
4. List of Top Ten Contractors Late in Submitting Final Vouchers or Final Invoices
5. Example Letter: DCMC-OA to Lockheed Martin Corporation
6. Overdue Incurred Cost Submissions as of 2/16/00 (Excel file: Overdue Submissions.xls)  
(*not available online*)

DISTRIBUTION: C



DEPUTY SECRETARY OF DEFENSE

1010 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1010

23 MAR 2000



MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS  
CHAIRMAN OF THE JOINT CHIEFS OF STAFF  
UNDER SECRETARIES OF DEFENSE  
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING  
ASSISTANT SECRETARIES OF DEFENSE  
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE  
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE  
DIRECTOR, OPERATIONAL TEST AND EVALUATION  
ASSISTANTS TO THE SECRETARY OF DEFENSE  
DIRECTOR, ADMINISTRATION AND MANAGEMENT  
DIRECTORS OF THE DEFENSE AGENCIES  
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Department of Defense Reform Initiative Directive #53 - Reconciliation of  
Contracts in the Mechanization of Contract Administration Services (MOCAS)  
System

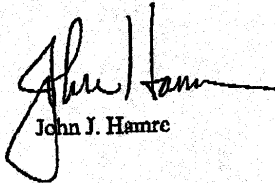
The Defense Finance and Accounting Service (DFAS) will begin the replacement of MOCAS with the Defense Procurement Payment System (DPPS) in fiscal year 2001. The replacement of MOCAS is part of the overall plan to modernize and standardize contract and vendor pay and achieve the goal of eliminating unmatched disbursements and negative unliquidated obligations. Our objective is to retire the MOCAS system on October 1, 2002.

To ease the transition from MOCAS to DPPS, MOCAS retirement will involve a "brown out" period beginning in January 2001 where new contracts will be paid out of DPPS and existing contracts will be paid out of MOCAS. At the conclusion of this "brown out" period, all remaining MOCAS contracts will be converted from MOCAS into the new system. This allows less than three years to reconcile, close, or convert the 350,000 existing MOCAS contracts. Some of these contracts are as much as 30 years old, have extensive deliverables and/or lines of accounting, or a history of payment related issues that will require substantial time and effort to reconcile. On the other hand, performance has been long completed on many of these contracts. It is clear that transferring contracts to DPPS when performance under those contracts has been completed represents an unnecessary and unwise cost to the taxpayer. Accordingly, I direct the Military Departments and the Defense Contract Management Command (DCMC) to develop comprehensive plans closing out all completed contracts, and the orderly transition from MOCAS to DPPS for contracts with continuing requirements. DFAS will assist in reengineering the reconciliation process and procedures to support the retirement of MOCAS and close out of all contracts under which performance has been completed.

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To integrate and coordinate the reconciliation, closeout, and conversion of these contracts, I direct the establishment of a DoD-wide Integrated Process Team (IPT) with membership from the Military Departments, Defense Logistics Support Command, DFAS, and the DCMC. The Principal Deputy Under Secretary of Defense (Acquisition, Technology & Logistics) and Principal Deputy Under Secretary of Defense (Comptroller) will co-chair the IPT and will monitor and report progress on the closeout and/or conversion of these contracts.

The Military Departments should initially focus on the contracts that will be the most difficult to reconcile and close. For this reason, contracts over \$100M should be the early focus with expeditious efforts to move forward and close all other contracts. The IPT will provide the Deputy Secretary of Defense with in-progress reviews every 12 weeks during this process, beginning with a review no later than June 4, 2000, of the initial plans to achieve both the close out and transition goals.



John J. Hamre

**Tasking Memorandum No. 00-95**

**Memorandum for Commanders DCMDs, DCMC CAOs**

**Subject: Contract Closeout by September 30, 2002 (TASKING)**

**Date: January 21, 2000**

**Suspense Date: April 1, 2000**

**Target Audience: CAO Commanders, all personnel involved in contract closeout and resource planning**

**Requirements(s)**

- Preparing for the retirement of MOCAS (Mechanization of Contract Administration Services) and transition to the SPS/DPPS (Standard Procurement System/Defense Procurement Payment System) is a central challenge and top priority for DCMC. Our goal is to close all contracts that will become physically complete (in accordance with FAR 4.804-4) by September 30, 2002—the date MOCAS will be retired. We will not transition any contracts to SPS unless performance extends beyond September 30, 2002. In order to assure closeout of physically complete contracts and plan for Command-level assistance, CAOs must complete the following actions no later than April 1, 2000.
- Assure the accuracy of all final delivery dates (FDD) in accordance with contract requirements for contracts in MOCAS.
- Identify all DCMC-administered contracts not in MOCAS with performance after September 30, 2002.
- Identify all contracts where you expect performance after September 30, 2002 and potential problems you expect in transferring the contracts into SPS, keeping in mind that all contracts migrating to SPS must be fully reconciled or validated.
- Develop a plan that reflects the efforts needed to ensure closure of all physically complete contracts by September 30, 2002. The plan should consider focusing closure activities on the order of precedence identified in Attachment 1 and should show:
  - Quantity of existing contracts to be closed by fiscal year quarter.
  - Remarks as to the exceptions, extraordinary actions, or relief you would need in order to accomplish contract closure by September 30, 2002 where it is evident there will not be sufficient time based on your experience with current process requirements.
  - Assess the impact on the current CAO Performance Contracts to redirect necessary resources in FY 2000 to ensure all DCMC-administered contracts will be closed according to the above plan, identified for closure by September 30, 2002, or identified for migration to SPS.
  - Notify the District or the MOCAS Transition Assistance Center (discussed below) of any assistance the CAO needs relative to preparing a plan or meeting the goal of closing all DCMC-administered contracts becoming physically complete by September 30, 2002.
- **Based on the above assessments, CAOs are to provide the following information electronically to your District Process Champion for contract closeout, with a copy to the MOCAS Transition Assistance Center at the email addresses noted under Point of Contact, no later than close of business, April 1, 2000.**
  - Statement from Commander that all contracts currently in MOCAS Part A, Sections 1 through 4 (except firm fixed priced contracts under \$500,000 with an FDD no later than 3/31/02), have been (and new contracts will be) identified with the following R9 codes as outlined below (All contracts will only contain one of the following: XA, XB, XC, or XD - choose code for worse case scenario based on historical experience with your contractor):
    - XA\* – Will be physically complete by 6/30/02 but not closed by 9/30/02
    - XB\* – Will be physically complete between 6/30/02 and 9/30/02, but not closed by 9/30/02

- XC\* – Will close NLT 9/30/02
- XD\* – Significant performance scheduled after 9/30/02
- \*XA through XD will be input for all new MOCAS Part A contracts during contract receipt and review, until new contracts are input into SPS/DPPS.
- In addition to the initial coding of XA through XD on all required contracts, also code with the following sub-codes, as applicable:
  - XF – Accepted as Fast Track Candidate by DFAS (ref: Tasking Memo 99-229, dated July 9, 1999)
  - XH – Unsettled final overhead rates
  - XL – Unsettled legal issue
  - XN – Negotiated settlement is required
  - XP – Open Patent Issue
  - XQ – Awaiting final reconciliation by DCMC on obligation data
  - XR – ACO complete, awaiting final reconciliation by DFAS on disbursement data
  - XS – Special Circumstances/Other, explained in the ACO notebook field in MOCAS
  - XT – Complete termination (will not close prior to 30 Sep 02)
- R9 codes must be continually updated as changes occur.
- Identify the number of contracts you plan to close in FY00 to meet the overall DCMC goal.
- Identify any adjustments that will be necessary to the FY 2000 CAO Performance Contract.
- It is recognized that closing all physically complete contracts by September 30, 2002 will require some extraordinary actions given the current process for closing contracts. To that end, DoD is preparing a Defense Reform Initiative Directive (DRID) that will require all parties involved to take the steps necessary to reconcile, then close or convert the MOCAS contracts into DPPS no later than September 30, 2002. In anticipation of the DRID, and the effort it will take to reach our goal, the DCMC Commander has directed the transition of the Overhead Center to a MOCAS Transition Assistance Center to assist CAOs in meeting this challenging task. The Center will be working with DFAS to obtain agreements to expedite the reconciliation process by accepting negotiated settlements, ACO notice of contractors paid in full, ACO final price determination via contract modification, etc. The Center will notify CAOs when such agreements are in place.
- Creating a plan now for meeting the September 30, 2002 goal of closing MOCAS contracts that will be physically complete by that date will help the Command identify the actions and resources needed to accomplish this challenge. It will also bring to the forefront the extraordinary actions the Command will need to initiate to overcome delays of the current closeout process. Providing the required information to the District and MOCAS Transition Assistance Center will help them identify processes and CAOs where assistance may be needed.
- PLAS Code 181, Contract Closeout, should be used for this effort.



**Point of Contact for Further Information:**

DCMDE Process Champion: Joyce Blais, jblais@dcmde.dla.mil , DCMDE-OOB/(617) 753-3398 or DSN 955

DCMDW Process Champion: Lolita Pizarro, lpizarro@whq.dcmdw.dla.mil , DCMDW-OOB/(310) 900-6567 or DSN 929

DCMDI Process Champion: Charlene Baez, cbaez@dcmchq.dla.mil, DCMDI-O/(703) 767-2792 or DSN 427

DCMC Headquarters Process Owner: Patty Tellez, ptellez@dcmchq.dla.mil, DCMC-OA/(703) 767-3436 or DSN 427

MOCAS Transition Assistance Center: John McPherson, jmcpherson@dcmchq.dla.mil, DCMCC-E/(703) 767-8136 or DSN 427-8136

**Signature:**

/s/

**JILL E. PETTIBONE**

**Executive Director**

**Contract Management Operations**

**Defense Contract Management Command**

Attachment

**Tasking Memorandum No. 00-95**

**Subject: Contract Closeout by September 30, 2002 (TASKING)**

**Date: 1/21/00**

**Attachment 1**

**Order of Precedence**

In order to assist CAOs in developing a plan for closing contracts that are currently or will become physically complete by 30 Sep 02 and identifying contracts that will be transitioned into SPS, the following order of precedence is suggested:

1. Input an R9 "X-Code" (XA, XB, XC or XD) for each contract (*exception: firm fixed price contracts under \$500,000 with an FDD no later than 3/31/02*).
2. Review/Update all contract scheduled delivery dates (FDD).
3. Identify all contracts where all ACO actions are complete and awaiting DFAS adjustment/action\*.
  - Input an R9 sub-code "XR" for each contract
4. Identify all contracts with FDD scheduled to complete *after* 30 Sep 02\*.
  - Identify SPS transition candidates
  - Identify necessary actions to fully reconcile or validate the SPS transition candidates
5. Identify all contracts with FDD scheduled to complete *by* 30 Sep 02\*.
  - Prioritize closeout actions according to age and type of contract in order to ensure closure by 30 Sep 02.

Fixed Price Contracts

- a. Identify contracts where ULO balance equals \$0.00\*
- b. Identify contracts with reconciliation problems

Basic Instruments (BOAs and IDIQs)

- c. Identify basics with "no open orders"\*
- d. Review FDD for BOAs/IDIQs, considering ordering period limitation
- e. Identify basics with obligation/ULO balances\*

Cost Type Contracts

- f. Identify contracts with settled overhead rates\*
- g. Identify cost type task orders ("D" Instrument)\*, implement early closeout procedures
- h. Identify reconciliation problems

Time and Material and Labor Hour Type Contracts

- i. Review T&M and LH task orders\* and identify early closeout candidates, obtain completion vouchers

- j. Identify reconciliation problems

Other Disbursing Office (ODO) Contracts\*

- k. Identify/Close physically complete contracts

System Acquisition Contracts (ACAT)

- l. Identify all System Acquisition Contracts\*

- m. Identify reconciliation problems

6. Estimate how many new contracts will be received by 31 Mar 01.

- Identify necessary actions to close or transition to SPS

\*Impromptu Query will be available on the MOCAS Transition Assistance Center (MTAC) Home Page.

**Tasking Memorandum No. 00-172**

**Memorandum for** Commanders DCMDs, DCMC CAOs

**Subject:** Contract Closeout by September 30, 2002 (TASKING)

**Date:** March 27, 2000

**Suspense Date:** May 1, 2000

**Target Audience:** CAO Commanders, all personnel involved in contract closeout and resource planning

**Requirement(s):**

- Tasking Memorandum No. 00-95 was issued to the field on January 21, 2000, with a Suspense date of April 1, 2000.
- MOCAS programming no longer allows alpha R9 ACO coded remarks, requiring the renumbering of the codes input by the CAOs.
- There will be a mass correction done in MOCAS to convert all "X" codes already input to the new numeric codes listed below. We anticipate this to be completed by April 3, 2000.
- Therefore, the suspense date for the tasking 00-95 is now extended to May 1, 2000.
- This also updates Information Memorandum 00-21 dated October 22, 1999 Subject: Use of the "XR" MOCAS Code in Identifying Fast Track Candidates (INFORMATION), changing "XR" to "92" and "XF" to "94"
- COMPASS or MOCAS Delayed Inquiries may be used to track the numeric R9s since Shared Data Warehouse/Impromptu can not be used to query the numeric R9 remarks.
- There is no new requirement placed on the CAOs as a result of this change. CAOs should continue their coding with the revised two digits identified below. CAOs can start using the numeric R9 codes immediately.
- As stated in the original Tasking 00-95 and based on the assessments identified, CAOs are to provide the following information electronically to your District Process Champion for contract closeout, with a copy to the MOCAS Transition Assistance Center at the email addresses noted under Point of Contact, no later than close of business, May 1, 2000.
  - Statement from Commander that all contracts currently in MOCAS Part A, Sections 1 through 4 (except firm fixed priced contracts under \$500,000 with an FDD no later than 3/31/02), have been (and new contracts will be) identified with the following R9 codes as outlined below (All contracts will contain only one of the following: 81, 82, 83, or 84 - choose code for worse case scenario based on historical experience with your contractor):
    - 81\* – Will be physically complete by 6/30/02 but not closed by 9/30/02
    - 82\* – Will be physically complete between 6/30/02 and 9/30/02, but not closed by 9/30/02
    - 83\* – Will close NLT 9/30/02
    - 84\* – Significant performance scheduled after 9/30/02(\*81 through 84 will be input for all new MOCAS Part A contracts during contract receipt and review, until new contracts are input into SPS/DPPS.)
  - In addition to the initial coding of 81 through 84 on all required contracts, also code with the following sub-codes, as applicable:
    - 94 – Accepted as Fast Track Candidate by DFAS (ref: Tasking Memo 99-229, dated July 9, 1999)
    - 95 – Unsettled final overhead rates
    - 97 – Unsettled legal issue
    - 93 – Negotiated settlement is required
    - 96 – Open Patent Issue
    - 91 – Awaiting final reconciliation by DCMC on obligation data
    - 92 – ACO complete, awaiting final reconciliation by DFAS on disbursement data
    - 99 – Special Circumstances/Other, explained in the ACO notebook field in MOCAS
    - 98 – Complete termination (will not close prior to 30 Sep 02)
  - R9 codes must be continually updated as changes occur.
- Identify the number of contracts you plan to close in FY00 to meet the overall DCMC goal.

Enclosure 3

- Identify any adjustments that will be necessary to the FY 2000 CAO Performance Contract.
- PLAS Code 181, Contract Closeout, should be used for this effort.

**Point of Contact for Further Information:**

DCMDE Process Champion: Joyce Blais, jblais@dcmde.dla.mil , DCMDE-OOB/(617) 753-3398 or DSN 955

DCMDW Process Champion: Lolita Pizarro, lpizarro@whq.dcmdw.dla.mil , DCMDW-OOB/(310) 900-6567 or DSN 929

DCMDI Process Champion: Charlene Baez, cbaez@dcmchq.dla.mil, DCMDI-O/(703) 767-2792 or DSN 427

DCMC Headquarters Process Owner: Patty Tellez, ptellez@dcmchq.dla.mil, DCMC-OA/(703) 767-3436 or DSN 427

MOCAS Transition Assistance Center: John McPherson, jmcpherson@dcmchq.dla.mil, DCMCC-E/(703) 767-8136 or DSN 427-8136

**Signature:**

JILL E. PETTIBONE

Executive Director

Contract Management Operations

### **List of Top 10 Contractors Late in Submitting Final Vouchers**

<b>Contractor</b>	<b>Location</b>	<b>R/ORG</b>
Raytheon Company	Lexington, MA	06271
Marconi Systems Technologies Inc	Rockville, MD	06221
Lockheed Martin Corporation	Bethesda, MD	06631
Trandes Corporation	Lanham Seabrook, MD	06311
VSE Corporation	Alexandria, VA	06331
Scientific Management Associates Inc	Alexandria, VA	06331
CACI Inc	Arlington, VA	06121
PRC Inc.	McLean, VA	06321
Allied Signal Inc.	Morristown, NJ	06201
TRW Inc.	Cleveland, OH	01701

DCMC-OA

Mr. Vance Coffman  
Chief Executive Officer and Chairman  
Lockheed Martin Corporation  
6801 Rockledge Drive  
Bethesda, MD 20817

Dear Mr. Coffman:

I am writing to ask for your assistance on something that can help both your company and your Department of Defense (DoD) customers.

Timely payment is important to your cash flow and timely contract closeout is an important issue to the DoD. In addition, we are working hard to meet the Congressional mandate to reconcile all DoD contracts. The Deputy Secretary of Defense has sponsored reengineering teams on a paperless environment, contract payments, contract closeout, and is regularly briefed on progress. It has also become a pacing factor in the Department's move to establish certified financial statements.

One of the last events in the acquisition process is a final invoice or voucher submittal from the company. Your company is on our list of top 10 companies who are late in submitting these documents. I'm sure there are other top 10 lists you'd rather be on! Fortunately, it is easy to get off this one — all we need are your final invoices, or final vouchers and closing statements. Since you may still be owed money, I'm sure you would want to make the submissions soon for the associated cash flow.

If you need additional information on the contracts awaiting your final invoice or voucher, please have your business segments contact their cognizant DCMC Contract Administration Office Commander. If you would like general information on contract closeout, or assistance in obtaining a list of DCMC Commanders, please contact Patty Tellez at (703) 767-3436 or email: [ptellez@dcmhq.dla.mil](mailto:ptellez@dcmhq.dla.mil).

Sincerely,

TIMOTHY P. MALISHENKO  
Major General, USAF  
Commander